

Colorado Department of Revenue

Tax InfoEmail

Paper state sales tax returns to receive closer look

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Businesses that file state sales tax returns on paper must completely and accurately fill out the form to avoid math adjustments that may result in more tax due and billing notices.

The Department of Revenue's new tax accounting system enables the state to conduct detailed reviews of paper DR 0100 Colorado Sales Tax returns and detect filing errors more efficiently. **Beginning with January 2012 DR 0100** Colorado Sales Tax returns that are due Tuesday, February 21, these reviews will go into effect. When the amount on line 1, Gross Sales and Services that is more than the amount on line 4, Net Taxable sales, that will trigger a math adjustment review. Line 4 must equal line 1, minus the amounts on lines 2 and 3. Lines 2 and 3 are for deductions and exemptions.

Businesses that have sales tax deductions and exemptions must carefully report the figures. If the details are ignored, the business may end up owing additional tax and will receive tax bills.

The calculations are important to ensure proper distribution of tax dollars to local governments and special districts.

How to avoid owing additional sales tax

The Colorado Department of Revenue has a free filing service called **Revenue Online**. It walks users through filing the sales tax return with accuracy and will prevent the omission and math errors that occur with paper returns. To sign up for account access and start filing returns online, go to www.Colorado.gov/RevenueOnline

Additional notes about paper filing

Businesses with more than one location that continue to file on paper must file a separate paper document for each of their business locations. The line 1 Gross Sales and Services must be only for that specific location. One return with the total Gross Sales and Services for all business locations is not allowed. In Revenue Online, a separate return for each location is filed. Businesses have the option of using private software or services to e-file sales tax returns.

For more information and details on what the DR 0100 looks like beginning with the January return, see [Taxation News and Announcements](#).